

Warren E. Gluck, Esq.
Shardul S. Desai, Esq. (*pro hac vice* pending)
Holland & Knight LLP
31 West 52nd Street, 12th Floor
New York, NY 10019
Tel: 212.513.3200
warren.gluck@hklaw.com
shardul.desai@hklaw.com

*Counsel to the Foreign Representatives
of Three Arrows Capital, Ltd.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Three Arrows Capital, Ltd,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 22-10920 (MG)

**SUPPLEMENTAL DECLARATION OF RUSSELL CRUMPLER IN SUPPORT OF
DEBTOR'S MOTION FOR ENTRY OF AN ORDER AUTHORIZING
ALTERNATE SERVICE OF PROCESS**

I, Russell Crumpler, pursuant to 28 U.S.C. Section 1746, hereby declare under penalty of perjury under the laws of the United States of America, as follows:

1. I am a Senior Managing Director of Teneo (BVI) Limited (“**Teneo**”) in the British Virgin Islands (“**BVI**”). I, along with my colleague Christopher Farmer (also of Teneo) (collectively, the “**Foreign Representatives**”), have been appointed as joint liquidators of Three Arrows Capital, Ltd. (the “**Debtor**”) by the Eastern Caribbean Supreme Court in the High Court of Justice (Commercial Division) (the “**BVI Court**”). Further information concerning my professional background and experience is set forth in the *Declaration of Russell Crumpler in Support of Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief* [ECF No. 3], which is incorporated herein by reference.

2. I submit this supplemental declaration in support of Debtor's Supplemental Memorandum of Law on Alternate Service of Process, filed contemporaneously herewith (the "**Memorandum**").¹ I have reviewed the Memorandum, and it is my belief that the relief sought therein is necessary to allow Mr. Farmer and me to complete our investigation and perform our duties in accordance with BVI statute and the order of the BVI Court.

3. I am over the age of 18, and I am duly authorized to make this declaration acting in my capacity as joint liquidator of the Debtor. Except as otherwise indicated, the facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, or my opinion based upon experience, knowledge, and information concerning the Debtor. I am authorized to submit this declaration on behalf of the Debtor, and if called upon to testify, I could and would testify competently to the facts set forth herein.

I. BACKGROUND ON FOUNDERS

4. Kyle Davies ("**Davies**") and Su Zhu ("**Zhu**") are founders of the Debtor (collectively, the "**Founders**").

5. Davies was born in the United States. The Debtor's Register of Directors filed with the BVI Financial Commission lists Davies as being born in the United States and his nationality as American. The Foreign Representatives have no actual knowledge whether Davies has formally renounced his U.S. citizenship under U.S. law, but note that a subsequent listing of Davies in the Register of Directors identifies him as Singaporean and that Davies holds Italian and Singaporean passports that were issued in 2017 and 2021 respectively. Therefore, all available information indicate that Davies is a U.S. citizen or was a U.S. citizen during the vast majority of the Debtors' operations.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Memorandum.

6. The Debtor's Register of Directors filed with the BVI Financial Commission lists Zhu as being born in China and his nationality as Singaporean. He moved to the United States and attended high school in Andover, Massachusetts (where he initially met Davies). He also attended college at Columbia University in New York (again with Davies), and he lived in San Francisco in 2012. Zhu holds a Singaporean passport, which was issued in 2020.

II. BUSINESS CONTACTS WITH THE UNITED STATES

7. Davies and Zhu founded Three Arrows Capital entities in 2012. They formed Three Arrows Capital, LLC in the State of Delaware, and registered it to operate in the State of California as Three Arrows Capital Management, LLC. Davies and Zhu incorporated Three Arrows Capital Ltd in the British Virgin Islands.

8. Based on news reports and Davies' own statements in broadcasted interviews, the Foreign Representatives understand that the Founders operated through utilization of credit, on behalf of Debtor, from legacy American financial institutions, such as JPMorgan Chase, Citibank, and Bank of America. Based upon records dating back to April 2021, it is unknown when the use of these credit facilities ceased, or whether the use was limited to its foreign exchange derivative business.

9. In or around 2017, the Founders shifted their focus from foreign exchange derivatives trading to cryptocurrency trading.

10. On December 3, 2022, an interview of Davies by Hugh Hendry, a hotelier investor and podcaster, was uploaded to YouTube. In that interview, Davies stated that he and Zhu ran the firm together and built everything in-house themselves. Davies also admitted that he and Zhu personally performed every role at the firm, including trade executions, operations, human resources, and risk assessments.

11. The Founders conducted the Debtors' business via Three Arrows Capital Pte. Ltd. and Three AC Ltd. ("**Investment Managers**"). Davies and Su own 100% equity in Three Arrows Capital Pte. Ltd.; Zhu and Davies' wife own 100% equity in Three AC Ltd. The Founders controlled the Investment Managers, which made investment decisions, managed the Debtor's feeder funds, and generally engaged in day-to-day management activities on behalf of the Debtor. In 2021, its Investment Manager changed from Three Arrows Capital Pte. Ltd. in Singapore to 3AC Ltd. in the British Virgin Islands.

12. After transitioning their business structure to focus on cryptocurrencies, the Founders executed hundreds of millions of dollars in funding deals in and/or with numerous American cryptocurrency, blockchain, and fintech companies, including Aptos Labs, dYdx, and BlockFi.

13. In fact, some of their largest investments² were placed in U.S.-based companies as follows:

Company	Location	Deal Stage	Deal Year
Aptos Labs	California	Seed Round	2022
O(1) Labs	California	Later Stage VC	2022
dYdx	California	Series C	2021
BlockFi	New Jersey	Series C	2020
WorldCoin	California	Early Stage VC	2021

14. These deals included a syndicate of investors, many of which were based in the United States (*e.g.*, Andreessen Horowitz (California), Coinbase Ventures (California), Gemini Frontier Fund (New York), Tiger Global Management, LLC (New York), PayPal Ventures (California), Circle Ventures (New York), Signature Bank (New York), and Silvergate Bank³ (California)).

² "Largest deals" are categorized by total deal size in USD.

³ Silvergate Bank is a Federal Reserve member bank based in La Jolla, California.

15. Mr. Farmer and I have reviewed a number of the Debtors' contracts. Many of the Debtor's contracts concerning these funding deals are governed by U.S. laws. For instance, many of the Debtor's largest loan contracts contained New York venue and choice of law provisions.

16. In addition to legacy financial institutions, the Founders facilitated and accepted credit, on behalf of Debtor, from U.S.-based centralized finance ("CeFi") lenders including but not limited to BlockFi (incorporated in Delaware; principal place of business in New Jersey), Celsius (incorporated in Delaware; principal place of business in New Jersey), Voyager Digital (incorporated in Delaware; principal place of business in New York), and Genesis Global Trading (incorporated in Delaware; principal place of business in New York).

17. The Founders, on behalf of the Debtors, also contracted with U.S. service providers such as BitGo,⁴ an auditing service provider located in California.

Dated: December 13, 2022

/s/ Russell Crumpler

Russell Crumpler of Teneo (BVI) Limited as
Foreign Representative of Three Arrows Capital,
Ltd.

⁴ BitGo also obtained a New York Trust license to operate as an independent, regulated qualified custodian under New York State Banking law. BitGo Holdings, Inc. is the parent company, which is a Delaware corporation headquartered in Palo Alto, California.